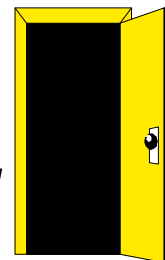




US Army Corps
of Engineers®

PARC NOTES



"ONE DOOR TO THE CORPS"

HCA's PERSPECTIVE ON SMALL BUSINESS UTILIZATION

The Chief of Engineers and Head of the Contracting Activity (HCA), LTG Joe N. Ballard, provides the first of a series of his critical focus areas on contracting with the Corps of Engineers. LTG Ballard, on several occasions has described his perspectives on small business utilization in Corps Contracting. Below are a few of his mandates:

USACE is an Advocate of Small Business Utilization. During the CG's tenure there has been a particular emphasis on effective utilization of small businesses with DA/DOD "goals" now considered as "floors." USACE actively seeks involvement of small business in contracting activities.

- ▶ "Utilization of small businesses is one of my emphasis areas. Programs like this must be pushed from the top. I expect our commanders to energize their divisions and districts to excel in this area."
- ▶ "Previously we looked at our small business utilization goals as "ceilings". Once we got there, we didn't keep pushing and sometimes we didn't make it. We must look at these goals as "floors". Commanders need to look at and use every opportunity to use small businesses."

USACE Corporate Philosophy on Small Business Utilization. Utilization of small business is good for USACE and good for the nation. Increasing the number of small businesses participating in USACE contracts enhances competition. This benefits the government by decreasing cost and increasing the quality of acquired products and services.

- ▶ "The pain that we go through in breaking out units of work for small business is more than worth it in the long run because we are growing competition. When we do this we insure that we will have more than two or three contractors that are bidding on our jobs in the future."
- ▶ "We want to level the playing field so that so that small business has an opportunity to participate in our work. 60-70% of the jobs in the country are created by small business."
- ▶ "We need to communicate to small businesses involved in the 8(a) program that ultimately they must decrease their reliance on the 8(a) program and increase their ability to compete on an unrestricted basis. Working with a small business is a waste of time if they cannot compete successfully after leaving the 8(a) program. "
- ▶ "The Corps' goal is to grow the pie for small businesses in the entire range of operations where the Corps is active, including

AE services, construction, environmental, information management, and dredging.”

Mentoring of Small Businesses.

- ▶ “The Corps must help provide mentoring for small businesses rather than rely completely on large businesses to perform this function. We need to make sure that small businesses have the information that they need to be able to win contracts.”
- ▶ “Our Small Business Conference is intended to provide small businesses with general information that can be used to increase their ability to compete and win contracts from the Corps. It is more than a meeting.”
- ▶ “Small businesses that are currently in the 8(a) program should not be relying on it as a sole source of income. They should be trying to bid on unrestricted solicitations and partnering with other businesses to increase their depth of expertise.”

Providing Opportunities for Small Businesses.

- ▶ “We are increasing our emphasis on enhancing subcontracting opportunities for small businesses on our projects. We are increasing our review of prime contractor compliance with subcontracting plans and will take action to insure that compliance is achieved.”
- ▶ “When I visit our operating districts I will be asking to see the subcontracting plans for representative projects. I will also be looking for evidence of USACE audit/review of contractor compliance.”
- ▶ “In cases where a contractor has not met the requirements that were described in their subcontracting plans, I view it as a matter of serious concern.”

PARC's Corner

HEART - TO-HEART ON DOCUMENTATION NEEDS FOR HCA APPROVALS

The FAR requires levels of approvals for various documents that support the firm soundness of an Agency's acquisition process to reduce unnecessary challenges thereto (protests and delays in prosecution of work). Some Justifications and Approvals (J & As), Acquisition Plans, Deviations to Regulations and Waivers are among the documents that are forwarded to the HCA level for PARC approval. As PARC, I do not have an aversion to approve any document that clearly validates the merits of the request for approval. The entire Corps of Engineers Community must be committed to ensuring that our actions in the business of Contracting “can withstand any magnification of any stakeholder microscope over time.” You hear me say that often, but that giant phrase must be each of our goal and motto. We no longer have the money to pay for unmanaged risk, especially when that risk is borne simply in poor documentation and not in the reality of the acquisition environment. Oftentimes documents are received quoting verbatim the provisions of the FAR as justification for a request. The provisions and exceptions in the FAR are provided as guidelines for us to overlay the “real life” environment that exists for the Corps of Engineers and its customers, which then validates that the provision or exception referenced applies. In your documentation, clearly paint the picture of what's happening; what's reality. Engineers and other technical experts sometimes must assess and write some portions of the documentation that would prove to any stakeholder that the approval was valid at the time it was executed. Attach other documents that clearly support the request.

Below are two instances of impropriety that should not be repeated anywhere in the Corps of Engineers:

- ◆ A request was received for deviation to the FAR's five-year limitation of the Service Contract Act. The Contract was awarded in 1993 with a duration to 1998. The District requests three months prior the Contract end for a deviation to extend the Contract two additional years (2000) and states as part of the justification that it requires 18 to 24 months to reprocur, therefore approval must be granted since the customer would not tolerate a work stoppage. The cited request was not timely. If the environment and the reasons for delays under the contract were not conducive for a deviation, the Corps would have failed in this acquisition. These types of activities must be brought to the Commanders for immediate corrective because actions; they do not support the procurement process as was intended by the FAR.

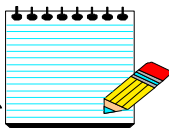
When documentation is provided to ratify unauthorized procurements, oftentimes signed statements by the individual or individuals causing the unauthorized procurements are not included. Reasons are given that the person or persons causing the action have retired. Commanders' statements are not included and in a recent incident I was told that the corrective action was executed but no written documentation of corrective action could be provided.

Here at the OPARC, we want to remove any obstacles or impediments to your efficient and effective operations. **Help Us Do That Expeditiously by putting on your Best Critical Thinking Hat and Documenting your actual Acquisition Environment considering every stakeholder who has interest in your project.** As PARC I must be "Honest Broker" to all five components of the acquisition system in any action we take. The components include:

- ◆ An Internal Political Component (Congress, OMB, etc.)
- ◆ A User/Requirer Component (Customers)
- ◆ Government Acquisition Team Component (HCA, Procurement Executives, Contracting officers, PM, Legal, ACO's, Small Business, Logistics, etc.)
- ◆ Industrial Base Component (Contractors, Subcontractors, Suppliers, etc.)
- ◆ External Political Component (Global Marketplace supporting the Defense Industrial Base)

Each of you must begin thinking broadly as you write the documentation that is transmitted for HCA or above approval. If you do not submit adequate documentation then **We Must Help you to Get There. Oftentimes that's Considered Painful** and too long an **endeavor for you to tolerate.** You are in the Driver's Seat--"Do it right the first time since you claim you do not have time to do it over". Continue to work toward protecting the Integrity of every action that passes through the Corps of Engineers. The OPARC Shall NOT "PASS-THROUGH" documentation that is not sound.

Editor's Comments



We welcome all comments and suggestions, so get them in before the 15th of the month.
(e-mail Ingrid Williams or telephone (202) 761-0568, FAX: (202) 761-4752)

DCG's Acquisition Perspective
A-F-I-R-E Trophy Award Guidelines
More on the On-Site Roadshows
Focus on Contractor Improvement and Viability
Some Thoughts on Goals for Change for FY99
Performance - Based Service Contracting,
NAD --Pittsburgh

Upcoming Highlights

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NEWS ABOUT US

LTC Carl D. Owens, New Deputy for OPARC is on board. He reported for duty on 4 August 1998 after completing the U.S. Army War College located in Carlisle, PA. He is a native of Birmingham, Alabama and received his commission as an Infantry Officer from the U.S. Military Academy, West Point, New York, in 1978. He earned a Masters of Science degree in Engineering Administration from the University of Central Florida, Orlando, Florida, in 1989. He has also attended numerous acquisition courses and is Level - 3 Certified in Contracting and Program Management.

Lieutenant Colonel Owens' previous assignments include several leadership and command positions in the infantry. His acquisitions assignments have been as the Production Officer for the HELLFIRE Missile System, U.S. Army Missile Command, Martin-Marietta Corporation, Orlando, Florida; Contracting Officer for Command, Control, Communications and Intelligence Systems, Vint Hills Farm Station, Warrenton, Virginia; and Contracts & Industrial Management Assignments Officer for the U.S. Army Personnel Command located in Alexandria, Virginia. His most recent assignment prior to attending the U.S. Army War College was Commander, Defense Contract Management Command, Southern Europe - Israel. He was the commander of a Joint Duty organization composed of U.S. military, DoD civilian and local national personnel. His command was responsible for administering \$1.2 billion in DoD contracts throughout Israel to ensure contractual compliance with quality, cost and delivery schedule of approximately 300 contracts and subcontracts for the U.S. military services.

His awards include the Defense Meritorious Service Medal, Meritorious Service Medal with three oak leaf clusters, Army Commendation Medal with three oak leaf clusters, Army Achievement Medal with two oak leaf clusters, and the Parachutist Badge.

Lieutenant Colonel Owens and his wife, the former Pamela Griffin of Laurens, South Carolina, have three sons. They are Carl Jr., age 12, Cory, age 8, and Colin, age 7.

Angela Billups, Senior Procurement Analyst, Policy Division. Mrs. Billups acquisition career began in 1981 in Aschaffenburg, Germany with the Dept. Of Army. Subsequently, she has served in the following positions: Contract Specialist, Procurement Analyst, Supervisory Contract Specialist at the AMC Acquisition Center, Aberdeen Proving Ground, MD. Mrs. Billups joined the OPARC at USACE in Feb 98.

Mrs. Billups was recognized as an Outstanding Professional and awarded a plaque for Excellence in Federal Career in 1996 and she was presented the Commander's Award for Civilian Service in 1997. Mrs. Billups has received numerous awards during her fourteen years of civil service. Mrs. Billups is Army Acquisition Corp Eligible and she is a certified acquisition professional.

Mrs. Billups is a graduate of the University of Montevallo with a Bachelor of Business Administration in Management/Economics. She holds a Master of Science in Administration from Central Michigan University and she is currently enrolled at Walden University pursuing a Ph.D. in Decision Sciences and Applied Management.

Roger Adams, Born in Winchester, VA, Graduated (1972) from Virginia Commonwealth University with a Bachelor of Science Degree in Psychology. In 1978 he attended the Defense Logistic Agency's (DLA) Procurement Management Program. This was a 1-year classroom program held at Defense Personnel Support Center in Philadelphia, PA.

Currently works as a Procurement Analyst in the Contracting Policy Division of the PARC (HDQTRS USACOE). Prior to assuming his current position, Roger worked with the US Army Military Traffic Management Command as a Procurement Analyst

within their PARC. Roger has worked as a Contracting Officer with the US Army Europe Contracting Command; Contract Specialist with the COE's Transatlantic Program Center, Winchester, VA; Contract Specialist and Procurement Analyst with the COE Europe District; Contract Specialist with the US Army; and Contract Specialist with DLA. Additionally, he has served in Contingency Contracting and served in the Army Security Agency as an analyst.

PRIVATE SECTOR PAST EXPERIENCE

Business Entrepreneur

- V. President & Secretary of Corporation owning a car dealership.

- President & CEO of Corporation in land development.

- Co-owned a construction firm specializing in speculative single family dwellings.

- Owner of commercial real estate/rental property.

- Owned and managed an 800 acre cattle farm.

Consultant to LM Ericsson (International Swedish based telecommunication company).

Contract Manager with ManTech Electronic Warfare Division.

LTC Martin Tillman, Deputy Chief, Policy Division, Office of the Principal Assistant Responsible for Contracting (OPARC). Presently serving as Acting Chief, Policy Division. Lieutenant Colonel Tillman researches, formulates and implements contracting Policy for the Corps of Engineers. Previously, he served as Platoon Leader for a Combat Engineer Platoon stationed in Berlin, Germany; Executive Officer with a Headquarters and Support Company, also in Berlin; and as a Company Commander for a Combat Heavy Engineer Company (Construction) in Karlsruhe, Germany. He has additionally held such staff positions as Battalion Adjutant and Assistant Brigade Plans Officer. As an Acquisition Manager, LTC Tillman has served as Project Officer for New Equipment Systems, U.S. Army Engineer School's Directorate of Combat Developments, working on such projects as the production of the M9 Armored Combat Earthmover (ACE), the Counter Obstacle Vehicle (COV), and the Robotic Obstacle Breaching Assault Tank (ROBAT). LTC Tillman has additionally served as a Research and Development Coordination Officer, Deputy Division Chief to the Engineering Division of the Countermine Systems Directorate, U.S. Army Belvoir, Research, Development, and Engineering Center (BRDEC), and as Contracting Specialist and Officer with the U.S. Army Communications and Electronics Command (CECOM) at Vint Hill Farms Station, Virginia. Most recently, LTC Tillman was Executive Assistant to the Chief of the Procurement Division for the Headquarters, United Nations, where he was responsible for select projects of a sensitive or urgent nature assigned directly by the Chief. In the United Nations, he also worked as a Procurement Officer, automation supplies/support, food rations, and headquarters operations, and was responsible for resolving vendor pay disputes, coordinating Procurement Division audit responses, and recommending a contractor performance evaluation plan. He is a graduate of the United States Army Command and General Staff College at Fort Leavenworth, Kansas, and has earned a Masters Degree in Business Administration from Strayer College in 1992.

Mary Fitzgerald, Senior Procurement Analyst, Operations Division, new from HQDA supports Acquisition Management Surveys, Career Management, Training Programs, congressional responses and is designing new career development programs. Mary is presently pursuing a masters degree.

“PARCing” INFORMATION THROUGHOUT THE CORPS (PARC Staff)

Contract Audit Follow-up Program Guidance

(Kathleen M. Wysocki, CEPR)

Programmatic emphasis in Fiscal Year 1999 will focus on performance and communications, thus it is important that the Contract Audit Follow-up (CAF) Monitor, who is the resident subject matter expert and advisor to the Chief of Contracting and contracting officers, and key personnel such as procuring and administrative contracting officers be fully informed of CAF Program requirements. Additional guidance will be forthcoming. To assist you, a review of the SAD CAF was completed.

The May 15, 1998 edition of the “PARC Notes” provided an unedited copy of the “SAD Contract Audit Follow-up (CAF) Guidance.” It shows a good start toward the development of a quick reference of general reporting guidance and audit record development complementing an existing district standing operating procedures and consolidated regulatory guidance for program execution. Caution must be exercised in using SAD’s guidance as written, as it includes some questionable interpretations of regulation, programmatic and procedural omissions. Comments to SAD’s guidance are noted below to assist you in preparing your own comprehensive CAF Program document. It is suggested that regulatory cites be noted within your document to serve as a cross reference for further guidance and as a training tool for employees. In addition, recommend the resulting document remain in a “draft” format to allow for incorporation of new guidance.

*Office of the Principal Assistant Responsible for Contracting
Review of SAD Contract Audit Follow-up (CAF) Program Guidance*

COMMENTS: Regarding the title “Preparation of Audit Reports in CAF Database,” it is a misnomer. Programmatic reports are generated automatically through the CAF Program’s software, requiring minimal time on a semiannual basis for computer file and diskette preparation. A more appropriate title would be “Preparation of Audit Records for CAF Database.” These records should be routinely updated by the CAF Monitor as events unfold in the resolution and disposition of audits. Remember the remarks that follow require you to refer to PARC Notes, May 15, 1998; article, “SAD Contract Audit Follow-up (CAF) Guidance.”

a. Paragraph 1., the activity code should match the first six elements of the contract number. If this is not the case, the remarks block should be annotated with a statement, such as: audit transferred from DACA05 or Civil Works funds on Military contract.

b. Paragraph 2., the comment on an audit number’s protocol must state that there is a dash “five digits after the letter” because the second dash is not always, but generally is, eight characters after the first dash. The audit number protocol is composed of four digits to identify the Defense Contract Audit Agency (DCAA) audit office performing the audit, followed by a dash, then a number or numbers representing the year, a letter, and five digits identifying the type of audit, a dash and then a string of numbers. If the audit is a supplemental audit, a dash will be placed after the last string of digits, followed by an “S” and a digit representing the sequence of supplemental audits, i.e. -S1, -S2, etc.

c. Paragraph 4., should note, that once reported, any correction must be annotated in the “Remarks” block.

Army has prescribed samples of accepted terminology in the Army's "Contract Audit Follow-up Guidance."

d. Paragraph 5., type "E" audits include audits on "CAS Noncompliance and Cost Impact Statement Reviews." Also, the five-digit audit number identifiers need to be corrected for type "F," Operations Audits. The "DCAA's Five Digit Audit Activity Codes Cross Reference to DoD Directive 7640.2, Change 1, August 16, 1995" that was effective October 1, 1995 is the only approved listing of activity codes identifying audit types. Defective pricing audits with costs questioned of "0" or a negative value are not reportable, unless they have been identified in a DCAA audit log during the reporting period.

e. Paragraph 6., the costs questioned is the bottom number when portrayed in a column within the text of the audit report. Costs questioned are, also, identified in the DCAA audit logs forwarded from DCAA to DoD elements. Note that any change or correction to the reported cost questioned will be identified when the "Compare Two Different Databases" function under the Utilities menu is executed. The remarks block must clearly identify the reason for the change in cost questioned. Also, all costs must be specified in U.S. Dollars.

f. Paragraph 7., the Prenegotiation Objective Memorandum (POM)/ Price Negotiation Memorandum (PNM) are the only recognized means of documenting actions to resolve and dispose of audit findings and recommendations. Both DoDD 7640.2 paragraph F.4.a. and AFARS 15-808(b) reference prenegotiation documentation. Also, the statement in the first sentence referring to "the amount of the Costs Questioned by the audit report that were sustained by the Contracting Officer" is misleading. It is best to utilize the definition in the DoDD, in that, cost sustained is "that portion of costs questioned by the auditor upheld as a result of actions taken by either the contractor or the contracting officer."

1) Additional guidance should be included to cover:

- a) the prorating of the costs sustained among the various audits when a global or lump sum settlement is made,
- b) that interest is not included in the costs sustained, and
- c) the MSC/district procedures for the recovery of funds in cases of overpayment.

2) To clarify the statement in paragraph 7.a., sustained costs can exceed the costs questioned as a result of additional information obtained after the audit is completed, but reported sustained costs shall never exceed the reported costs questioned.

3) For further clarity of the paragraph on COST SUSTAINED, including paragraph 7b, it is strongly recommended that the three charts developed by DoDIG personnel and included in USACE training materials be included as an attachment to any guide.

4) It appears that paragraph 7.c. is misplaced. It may be best to place the paragraph prior to that of the audit report number, as a determination of reportability is required. It also may be best to consider separate paragraphs addressing requests (including the incorporation of assist audits for subcontractors in the final audit) and receipt of audits. Contrary to the statement made, a subcontract audit is reportable if the audit is addressed to the contracting officer. Clarification from the Department of Defense Inspector General (DODIG) was provided, 15 Sep 95, in a note forwarded to Directors of Contracting. The DODIG clarification is provided at the end of this review. It is strongly recommended that this clarification of reportability of assist and subcontractor audits received by Army be included in your guide. Also, note in DoDD 7640.2, paragraph F.3.b., that an interim report that will be incorporated into a future report shall not be reported." The statement enclosed in parenthesis regarding the removal of audits listed on the DCAA audit log is counter productive for USACE elements and in direct opposition to DCAA policy and procedures. It should be deleted in its entirety. Appropriate requesting procedures and allowing for

adequate audit time would alleviate the need for separately issued subcontractor audits.

g. Paragraph 8., for continuity with regulatory guidance, it is recommended that the term, “resolution” is used rather than “resolved” for the paragraph heading. Delete all reference to a Finding of Fact, as the POM is the only recognized means of documenting actions to resolve an audit.

h. Paragraph 9., it is recommended that you include a reference to DoDD 7640.2 , Enclosure 2, Definitions, paragraph 13, Reports Involved in Investigation.

1) Paragraphs 9.a. and 9.b. are well stated.

2) To clarify paragraph 9.c., the contracting officer or their representative (contract specialist) is the appropriate person to check with the investigative agency to assess the status of an audit. If the investigative agency's efforts appear to be taking longer than expected, the contracting officer, upon the advisement of the CAF monitor, can raise the issue through functional channels.

i. Referring to:

1) Paragraph 10.a., Army's “Contract Audit Follow-up Guidance” requires that the Forum and Docket Number be included in the Remarks block. But, if you're aware that the contractor appealed to a specific forum, and a docket number is unavailable, the audit record can be considered “In Litigation” until the docket number is known. The remarks block should be annotated as you've noted, “Ktr appealed to [cite forum, date], docket # not yet available.” An audit that is out of the appeal forum's system is removed from being coded “pending litigation,” and generally becomes overage until disposed and the record closed.

2) Regarding the second section of paragraph 10.a., if a contracting officer's final decision has been made, and you are awaiting a 90 day period in which the contractor can appeal, the audit record will continue to age, and the remarks block can be annotated as awaiting completion of 90 days in which contractor can appeal. Upon the completion of the 90 day waiting period, the record can be closed. For reporting purposes, the Disposition date for an audit record is the date you notify the DCAA office and forward the final memorandum with enclosures to them. Army has informed us that DoD holds Army to a higher standard than the DoD Directive. See DoDD 7640.2, paragraph F.5.a. Using the date of the final forwarding memorandum to DCAA allows for uniform reporting throughout Army. If an audit is appealed within a year after the final contracting officer's decision and the audit record has been closed, the record is required to be reopened. Annotate the record showing the audit in “pending litigation” and enter into the remarks block that the audit was reopened and cite the forum and docket number.

3) Paragraph 10.b. as noted above, the contracting officer or their representative (contract specialist) is responsible to checking the status of an audit and provide the appropriate information to the CAF Monitor. With regard to CAF Program processes, procedures and terminology, the CAF Monitor serves as an advisor to the contracting officer.

j. Paragraph 11., is modified to incorporate more precise and accurate terminology. This paragraph can be modified to read: “A Resolution Target Date must be entered for any audit that is not resolved. The Resolution Target Date **should** reflect the **legislated requirement** that resolution occur within six months of the date of the audit report. Ensure the Resolution Target Date is not within the current reporting period. If resolution cannot be achieved by the end of the reporting period, move the target date into the next reporting period. Note that the Overage Audit Review Board shall review all open, unresolved audits over six months old.”

k. Paragraph 12., resolution date is the date of the POM. The block remains blank until resolution is achieved.

l. Paragraph 13., remove reference to a contracting officer's final decision. Paragraph 13., is modified to incorporate more precise and accurate terminology. This paragraph can be modified to read: “The Disposition Target Date **should** reflect **an assumption that disposition can occur within twelve months** of the date of the audit report, as thereafter

it is considered overage. Ensure the Disposition Target Date is not within the current reporting period. If disposition cannot be achieved by the end of the reporting period, move the target date into the next reporting period. Note that the Overage Audit Review Board shall review all open, unresolved audits over six months old and resolved audits over twelve months old that are reported as open on the most recent Status Report on Specified Contract Audit Reports. See DoDD 7640.2, enclosure 2, paragraph 7., Disposition of Contract Audit Reports. As noted earlier in paragraph I.2, for reporting purposes, the disposition date for an audit record is the date you notify the DCAA office and forward the final memorandum with enclosures. The forwarding memorandum giving notice to the cognizant auditor of disposition shall include the POM/Price Negotiation Memorandum, legal review and a copy of the modification incorporating the results of the audit findings and recommendations.

m. Paragraph 14., the guidance of DODD 7640.2 and Army's request that the date of the forwarding memorandum giving notice to the cognizant auditor of disposition shall be used to determine the audit record's disposition date. The disposition date will be entered into the audit record only when the record will be closed in that period's report.

n. Paragraph 16., The statement, "This field must have a date provided for every audit reported" is ambiguous and misleading. Both the DoDD requires and Army has requested, when applicable, specific information be included in the "remarks block." The block serves as a vehicle for assuring an audit trail of audit related actions.

1) In paragraph 16.c.(1), not only are the cost questioned zeroed out, but the costs sustained, also, are zero. Though the "sample" is appropriate, further clarification is required, as the direction specified in paragraph F.3.(d)(1) of change 1 to DoDD 7640.2 requires the date of the original audit report that first identified any issue that is still open and included in the superseding or supplemental audit report.

2) To clarify paragraph 16.c.(2), note that in paragraph I.1), above, an audit that is out of the appeal forum's system is removed from being in litigation, and thus generally becomes overage until disposed and the record closed.

3) For clarification purposes paragraph 16.e. should cite only an "assist audit" rather than a "subcontractor assist audit," as subcontractor audits can be reportable. If there is a question regarding the reportability of an audit, guidance should be requested through consecutively higher headquarters. Also, it is recommended that your statement, "Audits can never be deleted without...." should refer to "audit records."

4) Consider adding to paragraph 16.f. that changes can be directed by higher headquarters, and must be annotated in the remarks block accordingly.

5) As the Remarks Block assists in providing an audit trail within an audit record, in addition to those specified above, remarks should cross reference prime and subcontract audits, superseded and superseding audits, and the activities for transferred audits. Explanatory remarks should identify clerical errors, global settlements, project/local cooperative agreements, audits requested by USACE for other agencies (note the agency, include the vehicle of assignment, such as a consent decree and a focal point at the serviced agency), or as directed by higher headquarters. The remarks block offers a general status of action toward disposition.

o. The following information is provided to clarify your "Management of Database" paragraph 2.a. Delete the duplicated statement "that are audits" in the third sentence. Also, to ensure that Army guidance is adhered to, a statement regarding explanatory remarks is required. Any audit being reported for the first time that is older than six months old must have not only the "First reported, (report period date)" statement, but also explanatory remarks as it wasn't reported previously. In addition, a note should be added informing the database manager that if an entry is not made in the first space of the remarks block, the remarks will not show when comparing two databases.

p. The second paragraph under "Reporting Periods" is in conflict with regulatory guidance, in that DoDD 7640.2, enclosure 3 requires a semiannual status report on certain contracts audits be taken as of the specific dates of 31 March and 30 September of each year. Your ability to request data prior to the specified dates mandated by regulation has not been approved by higher headquarters, thus your generally identified suspense date must be revised to an appropriate date. If your subordinate activities are maintaining their real-time CAF management system as envisioned by DoD, when the semiannual regulatory status dates arrive, districts only need to prepare an export file for submission to CESAD-CT. The CAF software allows real time entry.

q. Recommend that your heading be changed from "USING THE CAF PROGRAM AS A MANAGEMENT TOOL" to "USING CAF SOFTWARE IN MANAGING THE CAF PROGRAM."

1) Regarding paragraph 1. under the above heading, you must distinguish between the CAF software program and the CAF Program itself. The first sentence must be revised to start with, "The CAF software program produces reports.....in managing your CAF Program." The "IG Semiannual" prompt formats the legislatively mandated "Status Report on Specified Contract Audit Reports." This report should be prepared by you after submission of your 31 March and 30 September data to verify the status of all your input and to specifically identify records that are open, unresolved audits over 6 months old and resolved audits over 12 months old that are reported as open. The specifically identified audits that are open, unresolved audits over 6 months old and resolved audits over 12 months old that are reported open will be defended by contracting officers, both PCO and ACO, when the Overage Audit Review Board (OARB) convenes in early May and early November. In preparation of Board actions, each audit that is unresolved and over six months old and all audits that are overage must have a "Reportable Audit Action Plan" prepared in the prescribed format. Audits reported as "pending litigation" or under "criminal investigation" will not be presented to the OARB.

2) It is strongly recommended that a separate paragraph be established for actions related to the Overage Audit Review Board, as its related actions are an integral part of the CAF Program.

3) To clarify your paragraph 2. under this heading, recommend your statement be revised to request a printing of the "Status Report of Specified Contract Audit Reports" be prepared on a quarterly basis to identify audits that need to be closely monitored to meet legislated resolution and disposition time frames.

4) The second portion of paragraph 2. under this heading omits the AFARS 15.890-1 requirement that Chiefs of Contracting shall take personal interest in all contract audit reports being tracked by their office and assist contracting officers (both PCO and ACO) in the resolution and disposition of those audit recommendations which appear unlikely to be resolved within six months of the date of an audit report. As Chiefs of Contracting must be aware of the status of district actions on a routine basis, they can request the CAF Monitor, as the Chief s of Contracting representative, for assistance in monitoring, providing status, and advising contracting officers of process and procedural matters related to the CAF program. As the responsibility to resolve and dispose audits crosses USACE functional boundaries this needs to be addressed through a strong partnering arrangement between the USACE s contracting and the ACO/Engineering communities to allow for a transparent flow of information to the Chief of Contracting. It is strongly recommended that the roles of key CAF Program personnel be addressed under a separate heading or no less than a separate paragraph.

r. Under the heading, "Reportable Contract Audit File Documentation," there is a misconception that the CAF Monitor maintains file documentation for only reported audits. Documentation must be centrally tracked and maintained by the CAF Monitor on all audits, both reportable and nonreportable. Only those audits determined to be reportable under the guidelines specified in DoDD 7640.2 are required to be reported in the automated semiannual "Status Report on Specified Contract Audit Reports" (RCS DD-IG(SA)1580). AFARS mandates central tracking by a single entity from the request for an audit through receipt, resolution and disposition of all audit reports. EFARS centralizes the monitoring of audit actions in the

Office of the Chief of Contracting.

1) Paragraph 1.b. refers to specific contractor documentation. Recommend the paragraph be revised to say, "Copy of contractor s documentation requiring the audit, such as"

2) To emphasize legislative requirements, it is recommended that paragraph 1.e. be revised to read: Copy of document with legislatively required time line of 6 months for Resolution and policy recommended 12 months for Disposition."

3) Paragraph 1.j., as in FAR 33.211, specify "final" in "Copy of final decision of the Contracting Officer."

4) Paragraph 1.q., after "Copy of letter to" add "cognizant contract auditor at DCAA..."

s. As your document is serving as a program guide, it is recommended that paragraphs be added to incorporate AFARS requirements for:

1) Specified frequency of Chief of Contracting updates/status reviews of audits within the district. It is recommended that these reviews be done no less than on a monthly basis. Both PCOs and ACOs shall defend their actions. The CAF Monitor should provide an update on a bi-weekly basis, or as needed. (AFARS 15-890-1(c))

2) Chiefs of Contracting must initiate action to ensure that all contracting officers, both PCOs and ACOs, and other acquisition officials involved in the processes of the CAF Program have as performance objectives an individual performance standard addressing their effort to ensure the effective resolution and disposition of audit findings an recommendations in a timely manner while fully protecting the Government s interests. Performance standards must be included at least one level above the CAF monitor and contracting officer. (AFARS 15-890-1(b)(2))

CLARIFICATION OF REPORT ABILITY OF ASSIST AND SUBCONTRACTOR AUDITS

1. ASSIST AUDITS are issued by one audit activity to another audit activity. It is an audit of a subcontractor. The assist audit will be incorporated by DCAA into an audit issued for the prime contractor. ASSIST AUDITS ARE NOT REPORTABLE.

2. SUBCONTRACTOR AUDITS are issued by an audit activity to a contracting officer. They ARE REPORTABLE IF the audit report includes the prime contractor s loadings such as G&A and profit or fixed-fee. Any questions on reportability must be referred for a determination of reportability through higher headquarters Contract Audit Follow-up channels. A copy of the audit report must be forwarded with the request for determination. A determination of reportability will be made by the Department of Army and the Department of Defense Inspector General.

SPS Update

(Angela Billups, CEPR-P)

The planning phase for the deployment of SPS is continuing, the current status is as follows:

- ▶ Centralized vs. Decentralized Server - Test are being conducted and a decision is late Aug.
- ▶ Tiger Team-Members have been identified and initial training session will commence 3-5 Aug.
- ▶ POC(s) - A POC has been identified for each MSC/District.
- ▶ Training Schedule - Request for information which will help finalize the training schedule has been sent to each POC. We will finalize the schedule and make it available to all.
- ▶ Deployment Schedule - We have tentatively set up a deployment schedule, but we have to work out some minor

details before the schedule is finalized.

- ▶ Focus Group Sessions - We currently have several topics for focus group sessions. If you have any additional topics please send them to Angela Billups via E-mail.
- ▶ SPS OCONUS - A SPS conference to address unique issues for the OCONUS sites was held in Hawaii and conducted by HQDA.
- ▶ Continue to visit the OPARC SPS website for current information

GOOD NEWS STORIES

Career Spotlights

Acquisition Careerist Share Insights into their Success

* **Mary Ann W. Mitchell**, a contract Specialist in the **Baltimore District Contracting Division**, Environmental Acquisition Branch has been selected by the Army Acquisition Education Training and Experience Board to attend the Leadership Development Program at the Center for Creative Leadership in Greensboro, N.C. Ms. Mitchell transferred to Baltimore from CECOM, Ft. Monmouth, N. J. She has recently completed all requirements for certification at Level III in Contracting.

* **Cherie Kunze**, One of the Contracting Division's Procurement Analyst, attended the Senior Leaders Conference in Dallas in Aug as an Emerging Leader. As an emerging leader Ms. Kunze participated in a strategic planning exercise aimed at helping the Corps to meet the many challenges of the 21st century. She did lots of "homework" in preparation for the Aug meeting. Cherie returned excited about the conference and the challenges that lie ahead. We feel her experiences will not only better equip her to meet those challenges but will give **Norfolk** a key individual to help guide the **Norfolk District Contracting Division** into the 21st century.

* **Douglas Wood, Baltimore District**, After graduating from Towson State University *summa cum laude* in 1990 with a Bachelors of Science in Business Management and Psychology, came to the Army Corps of Engineers, Baltimore District, where he has worked for eight years as a contract specialist. As a contract specialist for the Army Corps, he has coordinated and directed the procurement and administration of a variety of different types of contracts for construction, architect-engineer services, research and development services, and environmental remediation.

He completed his Juris Doctorate and Masters in Business Administration, *cum laude*, from the University of Baltimore in May 1998. He maintained full-time employment as a Contract Specialist throughout his graduate and law studies. He also authored a case note that was published in the *University of Baltimore Law Review* and edited student manuscripts as an Associate Editor for the *Law Review*. Having graduated, he took the Maryland Bar Examination in July, 1998, and anxiously awaits the results.

Obtaining a law degree and master's in business administration was a natural outgrowth of his contracting career. Success in contracting requires a sound business knowledge, the ability to obtain the goods and services needed to meet the nation's needs, and also a background in law, as the public's requirements are met within the legal framework of a contract. He believes that today's government contracts managers, in state and local agencies as well as at the federal level, must be skilled in both areas to develop and execute a fair and efficient acquisition policy.

Integrity and efficiency in contracting is essential to a successful government at any level. From the smallest municipalities to the federal level, contracting is one of the primary means by which governments meet the many needs of their constituents. Today many Americans complain that their governments, particularly the federal government, are inefficient, unresponsive, and inept at solving the problems of a post-industrial nation. Through a change in the way government works, as opposed to simply changing its structure, we as federal managers and employees can both defuse public distrust of government and become more

effective in dealing with the challenges of the 21st century.

Contracting will play a pivotal role in improving the effectiveness of American governments through empowerment of communities, facilitation of economic development, and the creation of a government driven by its mission and results. By focusing on outcomes rather than expenditures and developing a proactive, market-oriented, enterprising approach to contracting, the Army Corps and the federal government in general can begin to restore public trust in the ability of government to meet the pressing social, economic, and environmental challenges of our uncertain world.

The objective of successful government contracting is twofold: to maintain integrity and public confidence while simultaneously fulfilling the needs of the nation, efficiently and at a fair price. He believes that fulfillment of these objectives requires federal contracting professionals to acquire a working knowledge of both the fundamental principles of the American legal system and also current business management techniques. Obtaining the best value for our customer, the American taxpayer, while complying with the special requirements imposed on the government requires that we have the ability to take a flexible and innovative approach to purchasing goods and services. At the same time, we have both a legal and moral obligation to maintain the highest level of ethics and ensure compliance with legislative objectives.

There is no doubt that achievement of an advanced degree requires an intense commitment. Effective time management is crucial; the student who works full time will need to structure his or her free-time; weekends, evenings, and even lunch time to maximize time available to study. Completing a degree while working is not an impossible task, however. Many of my classmates have juggled school, a full-time job, and family obligations, and have found academic success. The student must be flexible and able to take advantage of the time available. For example, if the student uses "slack" time that would otherwise have been wasted, such as the time spent riding a subway or in a car pool to work to read or study, he or she may find that this really makes a difference at exam time.

He also found that his classmates were an important resource; they were under the same demands and constraints. They knew what it was like to go to school and work at the same time. The first-year law student is under tremendous pressure to absorb an enormous quantity of information, cast aside a lifetime of assumptions and prejudgments, and to adopt and master a method of detached, critical analysis within a few short months. What is foreign and arcane to one is just as incomprehensible to their peers. The friendship and acquaintances one, makes as one struggles through and celebrate four years of growth will get you through those periods of self-doubt and insufficiency.

Career advancement and increased job opportunities are not the only benefits of completing an advanced degree. Personal growth and development are just as important. Doug believes that the experience of law school has led to a higher level of consciousness. Studying for exams, writing seemingly impossible term papers, even spending the minutes turned to hours discussing minute issues of the law with classmates, challenges the student's assumptions and changes his perceptions. The student is opening the door not only to a new career, but also to formation of a new self-awareness and self-confidence.

Doug's career goal is to attain an executive-level contracting position with the federal government. As stated above, he believes that contracting is an essential aspect of successful government, and he plans to use his unique combination of professional training and practical contracting experience to analyze and formulate acquisition policy for the federal government. He believes his legal and business background, combined with his hands-on contract management expertise, provides him the ability to assist the Army Corps of Engineers and the federal government in both managing day to day operations and planning for the future.

Completing an advanced degree part time, although both physically and mentally demanding, can be a highly rewarding and even enjoyable experience, both in terms of career enhancement and personal growth. He believes that

academic achievement should be a lifelong process, and no one is ever too old or too advanced in his or her career to go back to school. Employees who return to the classroom part-time should take a reduced course load, if possible, during their first year so that they may adjust to the workload without being overwhelmed. For those who do go back, its important to stay focused on the goal and remember that you are in school not simply to get a diploma, but to learn as much as you can. Also, take time out to be with your friends and family, and reward yourself for your accomplishment!

*Ingrid Williams, PARC Office, Ingrid started work here at the U.S. Army corps of Engineers in the Logistics Management office as a stay-in-school student. She transferred to the PARC office in 1996 to work more directly in the business field and to gain some knowledge in the Contracting field. She was actively involved in the participation of putting together the 1997 Black History Publication for the HECSA EEO office. Also, she was a member of the HECSA EEO pilot Mentorship program, which ended in May 1997. She entered into the student Co-op program as a student trainee (Contract specialist) in January 1998, to become enlightened with the procedures and operations of Government contracts. She has been promoted and is now competing for a DA Intern slot and working on a Masters Degree during off-duty hours.

*Robert Sharamatew, CENAP, As the Army Corps of Engineers approaches the Millennium, there are strong pressures to economize, right size and streamline for efficiency. In our contracting mission, we are expected to maintain our high quality standards while reducing our overheads. When planning for our future, one should not lose sight over our role as professionals and our obligation to support the various programs that enhance the educational opportunities of our inner city youth. The Contracting Division in the Philadelphia District is a strong advocate of two such programs that benefit both the student and the economies of our office overheads the Student Educational Employment Program and the Prime Program.

Under the Student Educational Employment Program, we have been able to hire students from economically disadvantaged backgrounds to work in our contracting office. The students learn the rigors of the business world and we gain an enthusiastic, low cost employee. Although we have had many success stories under this program, I would like to tell you about Ms. Raylonda King. Raylonda was a senior at the Edward Bok Vocational High School in Philadelphia when she came to work for us in October 1988. As a GS-01 General Clerk, she was a hard working inquisitive youth eager to learn all about contracting. Upon her graduation, Raylonda was appointed to a full time position. By 1994, she steadily progressed in her duties and was promoted from a GS-01 through to a GS-03. That year she enrolled at Community College of Philadelphia and began to earn college credits in business administration. In 1995, Raylonda was promoted to a GS-1106-04 Procurement Clerk. She has achieved her 24 business credits and is currently working on her Associates degree in Business Management. She was accepted into the Army Tuition Assistance Program on 2 Sept 1997. We have watched her grow from a young student into a fine young woman. We followed her education, helped her with her studies and shared in her beautiful wedding. We invested in a bright hard working individual at a modest cost and will receive a well trained professional in return. She is currently in a GS-1106-05 position but I expect she will be a GS-1102 in the near future.

PRIME, Inc is a non-profit organization started in 1973 to introduce minority students in the Philadelphia region to engineering and science fields. High achieving "A" and "B" students are offered motivational, enrichment and developmental activities designed to stimulate as well as support their educational interests. Through this program, the Philadelphia Engineering District partners with Dobbins Area Vocational High School and the Randolph Skills Center. During this school year, Contracting professionals visited the schools to conduct presentations on this years selected Corps project, the National Airport Pavement Test Facility that the Corps is constructing for the FAA.. We explained the role of the contracting officer and contract specialist in the project team concept, talked about our educational experiences and offer advice about future opportunities in the contracting profession. The students were taken on a field trip to the project site to see first hand the Corps in action. In the past, we have taken students to the Chesapeake and Delaware Canal, Superfund Clean-up sites, McGuire and Dover AFB

construction sites, Indian River Inlet Sand Bypassing Project, Barnegat Inlet and Cape May, NJ construction sites and onboard the Dredge McFarland. We use the PRIME program to enhance the students understanding of the importance of a good education while sowing the seeds for future employees to help the Corps diversify.

I urge all contracting offices to maximize the use of those programs in place to help our youth enter into a very competitive business arena, whether a co-op program, Stay-in-School or other initiative. We have the opportunity to give back to our communities while meeting our goals of reducing office overhead and diversifying our workplace.

* Pamela Patterson, CELRH, has just been selected for the SAACONS Administrator for the Huntington District COE.

Recently, the system was not doing what it was supposed to do. Work and not go down!!! Well, it did, of course, my just being on my own for five days with the system!!! I called Kevin Doyle and Steve Brown. They were GREAT!!!!!! They were very supportive and understanding about the problem. Kevin and Steve are very knowledgeable about the SAACONS System. They have a great attitude about the way they handle problems. Kevin and Steve walked me through each step and let me know and understand what they were doing to fix the problem.

I thank them, the Huntington District thanks them!!!! Our system is up and doing fine!! I am glad we have that kind of support and people who care and enjoy helping others the way Kevin and Steve do. It feels good to know when we have a problem that help is just a phone call away. I just wanted to give thanks for having a support team like the one we have for the SAACONS System!! Thank you Ms. Greenhouse for these two guys!!! Thank Kevin and Steve for me also. I have already thanked them recently for the support and help they gave. I just can't say thanks enough. They are GREAT!!! Just GREAT!!!! They were there when I needed help the most! Tell them to keep up the good work and thanks for everything.

My Cheer for ATAP and Long-Term Training

(Maureen Q. Taylor, CESWF)

For those of you who have been thinking about applying to the Army Tuition Assistance Program but have not as yet done so, don't wait any longer! And for those of you who are interested in pursuing college for a concentrated year's time frame, don't hesitate to look into the USACE Long-Term Training opportunities. I was fortunate enough to have reaped the benefits of both of these programs and just graduated this May with a Bachelor's in Business Administration/Management Degree from the University of Texas at Arlington. I feel so fortunate to have had these opportunities and challenge each and every one of you who is thinking about returning to college to do so and look into these programs.

I applied to ATAP when the first program was announced in 1992. At that time, I only had three college courses "under my belt." I was determined to do whatever it took to complete my bachelor's degree. While I was thrilled that ATAP was going to fund my entire education, I was a little troubled thinking it would take me almost 10 years to finish. So, in 1994, I took advantage of another excellent opportunity offered by USACE, i.e., I applied for Long-Term Training. After being accepted into the program, I attended UTA full-time from the summer of 1994 through the summer of 1995. I was able to complete 51 hours of classes in that time. The Government even paid me my salary during that year—yes, that's the way it really was! After that time, I continued with night school and ATAP funded the remainder of my courses. I was so thrilled on May 16th to walk across that stage to receive my diploma! And, I knew that, while I felt a great sense of personal accomplishment, I had the Government to thank completely for the opportunities afforded me.

There is another individual here at Ft. Worth, Joan LoRe, who has also just completed her bachelor's degree at the Northwood University through ATAP. She started ATAP in 1993 and was able to enroll in an accelerated degree program at Northwood

this past year to finish her bachelor's degree in record time! In addition, there are 7 other team members here at Ft. Worth who are ATAP members attending local universities in pursuit of their 24 business hours and/or courses towards a full bachelor's degree. The spirit continues to travel throughout the office as we encourage others to take advantage of these wonderful programs! Again, I present this challenge and opportunity to each of you.

PARC INSTITUTES

Corps of Engineers Contracting Enhancement Roadshows

The New Acquisition Reform Advocacy Program launched by Department of Defense and Army mandates that each major command in the Army establish an aggressive Acquisition Reform Awareness and Training Initiative throughout its command. Acquisition Reform in the Department of Defense is no longer an option! These Roadshows are coupled with the Corps of Engineers vision toward "One Door to the Corps" and the PARC's vision toward setting the contracting Community A-F-I-R-E by creating a new culture of empowerment. Under this new culture, each contracting officer will be equipped with a new tool bag of skills and competencies; new concepts of **Adaptability, Flexibility, Innovativeness, Responsiveness and Effectiveness/Efficiency**. Each Contracting Officer will acquire Entrepreneurial and Critical Thinking--a new level of thinking critical for solving the problems and challenges that the Corps of Engineers must face as it transitions to the 21st Century as a downsized, rightsized, mission-expanded Command. Institutionalizing Acquisition Reform in Contracting in the Corps is truly not an option--a "Must" that must begin now!! We will not be selected by prospective customers if the contracting officers are not equipped to handle innovations in contracting--Customers will go elsewhere! Gear up for our coming to your District and get the whole integrated team out to participate to set your District A-F-I-R-E with the best in contracting!

TRAINING UPDATES

Times are "Still A Changing" in FY 99

There are multiple changes for FY 99, this includes making the student and supervisor responsible for inputting the applications for mandatory DAU (Defense Acquisition University) courses into the Internet. The student will be responsible for inputting the application into the Internet, the supervisor will be responsible for signing off on it. Once the system is in place there will no longer be a need for 1556's. The way courses will be conducted by the schools are more varied: Old standby Classroom mode. The up and coming (eventually), Distance Learning courses on the Internet and Hybrid courses--part Distance Learning and part classroom mode. The following courses are projected to be on the Internet.

ACQ 101--October 1998--Internet only
BCF 211--Offered now--Internet plus one week Resident
IRM 101--October 1998--Internet only
SAM 101--October 1998---Internet only
BCF 207--November 1998---Internet only
CON 237--Offered now---Internet only
GRT 210--January 1999---Internet only
ACQ 201--June 1999--Internet plus one week Resident

Deletions; PUR 101 and OUR 201 will be deleted 1 October 1998 and replaced with CON 101 and Con 201.

Anticipated Changes:

Acquisition Civilian Record Brief (ACRB) the information shown on the ACRB will be on the WEB, 1 October 1998. You will update as needed, print it and sign it. The form is the same for civilians as well as military. Your IDP will connect with the ACRB and mandatory DAU courses you require for Level I, II, III certification must be listed on your IDP otherwise the quota and money management people (RDAISA) will not approve your application. Its business as usual until further notice re: RDAISA,

gets as many 1556's into the system even through the fourth quarter, they will issue fundcites for Army spaces that are available. Jean Neill # 256-895-7423, fax# 256-895-7469.

Contracting Overview Course

credit card holders to senior project managers as evidenced by some of the course evaluation comments. The course continues to be an excellent comprehensive tool for telling others what we do.

A new schedule of offerings of the courses will resume in the October/November time frame. This is also an opportunity for contract specialists to earn credits on continuing learning certification by serving as a facilitator. Consideration is being given to extending an invitation to the local HBCU as a part of outreach initiatives with them.

ACCESS Notes

(Anthony Cochran, CENAD)

A recent USACE district recruitment action for two grade 14 1102s resulted in an ACCESS generated list of the top 25% of available candidates. It is noteworthy that this list did not include any candidates employed by the Army Corps of Engineers. The following factors are believed to have contributed to this predicament:

- Coding errors and outdated applications;
- Lack of formal training and professional development, and a college degree;
- limited mobility
- failure to register

District and Division Career Program Managers (CP-14) must encourage mid grade level 1102s to register in ACCESS and if already registered to update applications and remove any conflicting data. This latter item was found to be the cause of potential "Corps" applicants not being referred to positions for which they were qualified. **Managers must also note that though many staffers now meet DAWIA minimum**

(By Jim Reynolds, CEHNC)

The Huntsville Center's Directorate of Contracting has held a series of three 2-day class presentations of the revised Contracting Overview course provided by the PARC office thru the Professional Development Support Center. The updated course has been well received at various levels from clerical, admin and

education requirements it is not enough to guarantee placement on a referral list. All staffers grade 12 and above, seeking future advancement should strive for a Master's degree in a business related discipline AND seek professional certification and/or training by one of several national associations (e.g. National Contract Management Association, National Association of Purchasing Management, and/or National Institute of Governmental Purchasing). Continuous education and refresher training is vital to developing and providing a staff of skilled and qualified personnel.

TULSA S CONTRACTING DIVISION OUTREACH TO SMALL BUSINESS

(Video Teleconferencing)

The Oklahoma Bid Assistance Network has Bid Assistance at 16 locations throughout the State of Oklahoma to assist Oklahoma businesses. This conference was a video interactive meeting among 12 of the sites allowing the Army presenter to brief small businesses on doing business with the Army and answer questions. The attendance and interaction was excellent as it allowed the Oklahoma businesses to go to their local Bid Assistance center, yet participate in a state wide conference. The response was excellent and it is anticipated that we will benefit greatly in the future from increased competition for our contracts. **Rich Hedrick, Chief Contracting Division, was the Army presenter.** The Conference was held on 12 August 1998, Stillwater, Oklahoma with 12 remote Oklahoma locations and 50 Small businesses, 20 Small. Disadvantaged businesses and 10 women-owned businesses. A total of 90 participants which included Federal Government and Oklahoma Bid Assistance representatives. **Tulsa--Keep up the**

Good Work!! Hats off!

An Emerging Leader's views on "change" for the Corps

The office I worked in previously, also in the Army, fully embraced the concepts of Total Army Quality and Total Quality Management. Quality was the buzz word. Process Action Teams (PATs) were the norm. Everything budget each year to pay for university training that was not covered under ATAP, i.e., Master Degrees for non-Acquisition Corps employees.) The fact that 'Quality' and 'Change' begin with an "educated" and 'trained' employee/workforce that includes Government courses (i.e., DAWIA and other Government courses) as well as formal, university courses leading towards a degree, is often overlooked.

By eliminating non-value added processes, we can provide quality services quicker and cheaper than in the past. We have customers that are mandated by law to give their business to the Corps of Engineers. What happens if the laws are relaxed and those mandatory customers are permitted to seek cheaper agencies that can provide services quicker? We need to look beyond our present customers that are mandated to use us to customers who voluntarily choose to use us. We need to increase the number of customers that voluntarily choose to use us. We need to be customer oriented in order for our customers to "market" us (recommend us to other agencies by word-of-mouth). Quality, timeliness, price, and customer service are the key to obtaining and retaining volunteer customers.

"Cheap" does not necessarily mean lower "quality". We could cut our costs by eliminating actual employees involved in a process if they are not adding value. For example, in the past, prior to word processors, typing was done on manual typewriters. There were probably employees involved, 1 to type and 1 to proofread. Today, thanks to automation, only 1 employee is required. That employee does the typing and the computer does the proofreading. Similarly, our business processes need to be re-evaluated for duplication of effort.

There is a great fear that if we 'change' and eliminate non-

and every process was flowcharted. Non-value added processes were immediately eliminated. Employees were empowered and were aggressively encouraged to "Think of a better way." Additionally, training, self-development, and professional-development were strongly encouraged (The Director of Contracting unofficially stated that he preferred All his contracting officers to possess Master Degrees. To accomplish this, he set aside a certain percentage of his

value added processes, people will lose jobs. This is very, very, very false. By becoming more efficient, we can successfully compete with other agencies for work and gain new business. Additionally, efficiency could possibly free employees for cross-developmental assignments and special projects. There are benefits to efficiency; however, because of human nature, we tend to be pessimistic rather than optimistic.

Timeliness is also important to customers. For example, my former army agency may be able to award an Invitation for Bid in say 70 days, whereas some Corps District may take on an average 90 days. (The number of days are hypothetical.) My previous Agency may be able to award quicker because they have flowcharted their processes and eliminated unnecessary steps and bottlenecks. Additionally, that agency has 'teamed' with their support divisions, i.e., legal, small business, reproduction, etc., and has established maximum turnaround time limits for their services. For instance, legal and contracting may have agreed that legal will turn around all documents within 2 business days. Similarly, reproduction may have assured contracting that all jobs will be completed within 3 business days. If a delay occurs and award slips, the delay/bottleneck is clearly identifiable.

How do you enact change????? It baffles me... It cannot be forced on someone, or else it will be greeted with stiff opposition. Somehow, it must gradually be introduced and the benefits must be emphasized and employee fears calmed. Employees must be empowered and challenged to "Think outside of the box." **Our workforce must be educated and properly trained. I strongly feel that the more education a person has, the more open to innovation and change the person will be.** Total Army

Quality/Total Quality Management is an ongoing process. It is a 'living' process. Employees must passionately accept and believe in quality management. Change is inevitable and we must continuously seek better ways of doing business.

What is the Corps view of Total Army Quality/Total Quality Management???? I did not hear these topics/concepts discussed at our conference. Rather, Scenario Based Strategic Planning was the buzz word. I agree, we need to try and predict the future and brace ourselves for possible

The Polite Politics of EBS

(Vicki Shepherd, CETAC)

What are we (TAC specifically, CE in general) doing to make EBS more palatable to the contracting community? Most of our prime contractors don't fall under the heading of small business, but I have received positive comments regarding EBS from one of our contractors within the past month, so not all are wailing and gnashing teeth...

The Tri-Services CADD/GIS Technology Center has developed an Internet web site ("TSN," or "Tri-Service Solicitation Network") to assist bidders in locating electronic solicitations offered by the United States Army Corps of Engineers, Navy and Air Force. The URL is <http://tsn.wes.army.mil/>. It provides contractors a centralized location linking all participating agencies.

We realize that most contractors do not have the in-house plotting capability to print true full- or half-size drawings (A1 size--36" x 24", the format of all our projects designed prior to March 1998). In March 1998, TAC made the decision to adopt the D size--34" x 22" as our standard. This format will allow contractors to use a laser printer to print drawings to scale on 17" x 11" paper. Until such time as we begin issuing solicitations utilizing the new drawing size format, we will continue to issue two copies of the CD-ROM to each contractor on the planholders list. This will enable the contractor to retain a copy for review and use while sending one copy to the printer. The TSN provides a continuously updated listing on their web site of printing contractors who are familiar with EBS solicitations and how to print them. The contractors are all across the United States and many on the list can be contacted directly from

outcomes. On the other hand, I strongly believe that the future starts "now" in the present. In other words, we need to look at the present and become efficient "today" in order to be competitive and realize a bright future.

FANTASTIC THOUGHTS! CAN YOU GUESS WHO THIS EMERGING LEADER IS?

the list by clicking on the hypertext of their e-mail address.

The URL for this list is:

<http://tsn.wes.army.mil/TSNSolicitationPrinting.asp>. We include the list current at the time on the CD-ROM when we issue EBS solicitations. When we advertise the EBS on the Internet, there will be a link to the TSN list.

From TSN, a contractor can download the Adobe Acrobat and Source View Readers. We include these freeware readers on the CD-ROM when we issue EBS solicitations and will have a link to them on our EBS Internet page. We were advised just last week that HQ USACE is beginning the process to procure a Windows NT Server which will allow us (and other Corps agencies) to utilize the sample web page designed and offered for use by TSN to all participating agencies. Many Corps offices are currently using this standard web page design. The standardized design supports the Chief's desire for "One Door to the Corps." If a contractor becomes familiar with one agency's EBS page, he will be more comfortable with other agencies' pages if they look and work the same.

Another feature of TAC's EBS solicitations is the linking of the sectional tables of contents to the applicable clauses and provisions. This will enable the contractor viewing the solicitation to click on a clause or provision title in the table of contents and automatically go to that clause or provision. **Based on a spot-review earlier this year, other Corps agencies are not incorporating the linking feature, presumably because it must be done manually by the Contract Specialist and takes at least several hours for an average-sized solicitation. Because TAC believes the relatively small time and money investment is more than offset by the value added to the contractor trying to learn a new way of doing business, we have made a**

conscious decision to provide the linking whenever a project's schedule and budget will allow the additional effort.

TAC believes EBS will result in fairly substantial cost savings (reproduction and shipping) for our customers. At the same time, we want to make these solicitations as user-friendly as possible for our contractors. The EBS process is--wisely--moving gradually from infancy to childhood, unlike FACNET which was thrown out (perhaps with not quite enough prior testing) as a mandatory system for the small business community to deal with as best they could. Three years after FASA gave birth to FACNET, we still hear strong complaints from the small business community about the system not working, the expense involved, the user-unfriendliness, etc., etc., etc. We remain committed at TAC to making EBS work and in a more efficient and pleasant manner than FACNET.

I'll now step down from my EBS soapbox.

WHAT CONTRACTORS WANT THE CORPS OF ENGINEERS TO KNOW

Contractor Feedback Thru the PARC's Open Door Policy

Some contractors believe that the Corps should increase the competition for FUSRAP work in the St. Louis area by reducing the number of IDIQ task order awards and increasing the number of individual contracts.

Some contractors believe that the competitive award of incentive for contracts serve to benefit all parties.

A contractor stated that his firm understands and supports the concept of awarding government contracts based on "Best Value."

A contractor stated during an "Open Door" visit that the company was pleased with the Partnering Agreements that they have in effect with the Corps and that the one with Alaska

District is working extremely well. The company has also established Partnering Agreements with their subcontractors. Especially to note is their subcontracting performance. Approximately 74% of the work in Alaska District under their contract is subcontracted to small businesses, which exceeds the 40% Contract requirement.

INTRODUCING DMEA TO THE U.S. ARMY CORPS OF ENGINEERS FAMILY

There is a newly established defense agency that now operates under the cognizance of the U.S. Army Corps of Engineers Head of the Contracting Agency (HCA) Authority. This authority was effective 1 March 1998 and is governed by a Memorandum of Agreement. **The Defense Microelectronics Activity (DMEA)** was previously provided HCA authority by the Air Force.

DMEA is located on McClellan AFB, California. The Office symbol is DMEA/ME; address: 4234 54th St., Bldg. 620, Sacramento, California 95652-1521. The Director is Mr. Ted Glum and Mr. Earl Hendricks is Deputy Director.

Ms. Holly K. Moore, Director of Contracting was introduced at our PARC Conference this year. Her contracting team consists of the following Contracting Officers: Ms. Kellie Valdez, Mr. Larry Feldhaus, Mr. Kirk Watkins, Mr. Greg Johnson, Mr. Dick Paprocki, Ms. Jackie Webster and Ms. Gail Arnett, Procurement Technician.

The Department of Defense (DoD) increasingly relies on the use of "smart" weapon systems. The components that make these systems "smart" are the complex microelectronic devices that form their "brain". Yet, microelectronic technologies are extremely dynamic and now become obsolete every 18 months. This makes microelectronics the main factor driving DoD system obsolescence and mission degradation.

DMEA was established to leverage the capabilities and payoffs of the most advanced technologies to extend the life of weapon systems while addressing the problem of

microelectronics obsolescence. DMEA's microelectronics engineering specialists, supported by complex analysis, design, test, and prototyping equipment, produce solutions which are technically correct, logistically supportable, schedule responsive, and fiscally affordable. If contracting is needed, DMEA provides seamless access to the industrial base, presenting a single face to the customer.

DMEA has extensive resources in both engineering personnel and advanced technology support equipment, including a Class 100 Clean Room. These resources are used to provide services such as analysis, design, flexible

DMEA is uniquely positioned as a government entity to store the entire range of microelectronics solution sets from all vendors, including proprietary vendor sets, within the facility. This not only allows DMEA to provide a technologically correct solution regardless of the type of microelectronics problem, but provides the government specialists the ability to make the best "business decision" for the DoD when more than one solution set is available.

DMEA, WELCOME!

Acquisition Reform Satellite Broadcast - October 22, 1998

(By Dorothy Hindman, SARDA)

The first broadcast aired October 22, 1998 at 1330 to 1600(EST). For details regarding future satellite (information to sign in and call in questions); broadcast information from your computer and audio only information, please access the website: <http://www.acq.osd.mil/dau/arcc>

Tune in, you cannot afford not to hear.....

Description

Acquisition Reform is a major component of the President's National Performance Goals and Defense Reform Initiative. Acquisition Reform continues to play an important role in meeting the Warfighter's needs using smarter and faster methods and processes, to get products and services that work better and cost less. These products and services will be obtained from a globally competitive national industrial base. As we continue this Revolution in Business Affairs, the Department faces a number of challenges: "How do we

and rapid prototyping, limited production, and testing. DMEA's mission and capability is recognized as both unique and critical for the DoD. As such, DMEA supports customers throughout the Department of Defense, other customers within the Federal government including NASA, the FAA, and the Department of Transportation. DMEA's advanced technology services and facilities are also available on a dual-use basis to the private sector through Cooperative Research and Development Agreements (CRDA).

achieve civil-military marketplace integration? How is the future acquisition workforce defined? How do we train our expanded workforce to develop the skills needed for optimum performance in this new environment?

Dr. Jacques Gansler, USD (A&T) and other senior leaders will summarize the status of Acquisition Reform and lay out the roadmap for the Future during these Acquisition Reform Satellite Broadcasts-- **Be There Next Time - We Are Counting On You!!**

FT Hamilton and NAD

The U.S. Army Corps of Engineers New York District has awarded a \$33.8 million Base Operations and Maintenance contract to citywide Office Management Services in Port Washington, NY to support installation activities at Fort Hamilton, Brooklyn, New York. The term of the base contract is for one year and includes four renewal options. The base cost for the first year is over \$6.6 million.

The scope of work covered by the contract includes planning, programming, and administration of the operation and maintenance activities at Fort Hamilton, to include buildings and utilities, roads and grounds, housing operations, supply and storage, motor pool, personal property shipping office, refuse collection, pest control, elevators, and logistical support.

In addition, the contract calls for the contractor to perform all related administrative services such as supply, quality control, job costing and maintenance of accurate and complete records, files and libraries of documents including

federal, state and local regulations and government technical manuals.

Revisions to Engineer Pamphlet 1180-1-1, Service Contract Act Labor Relations

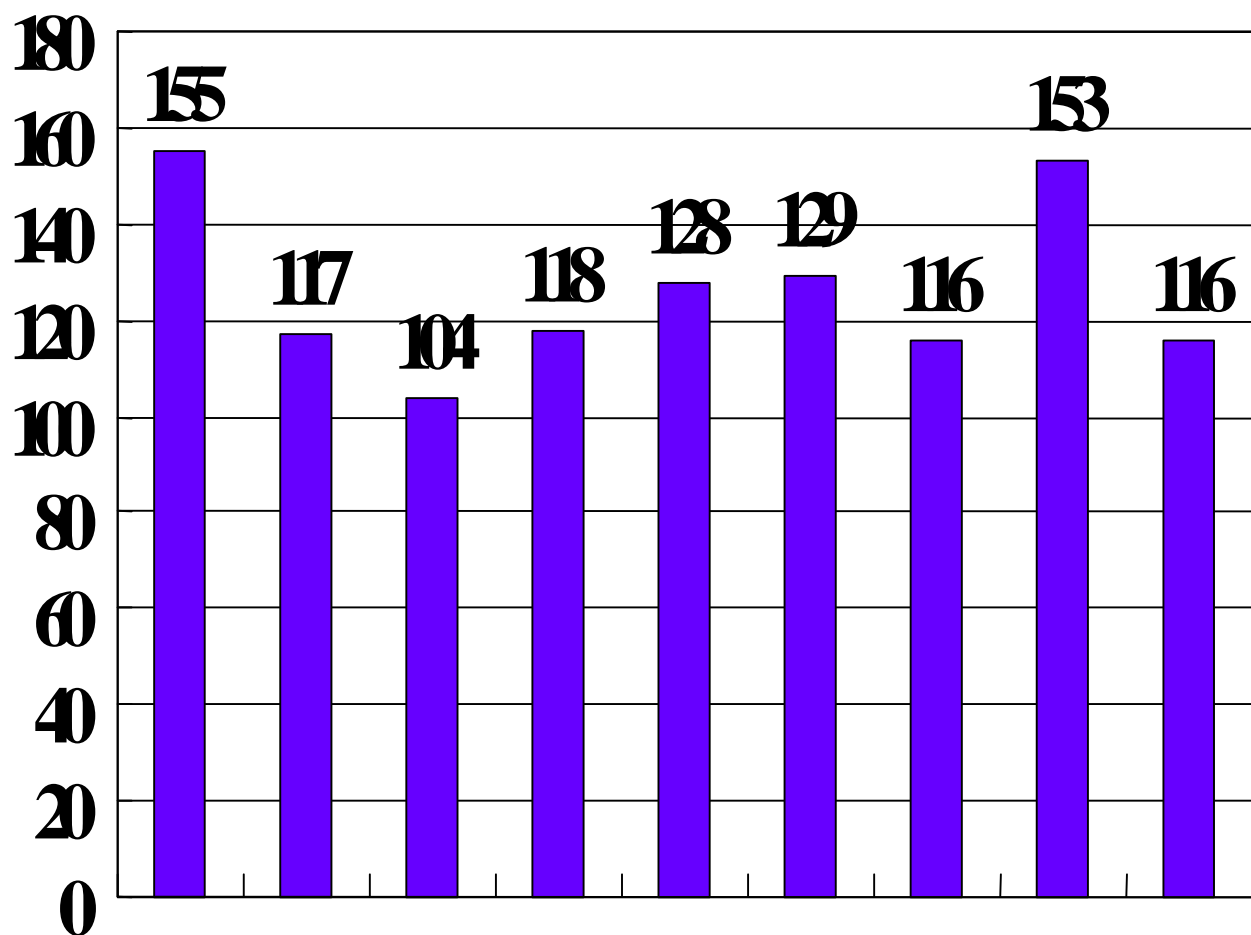
Engineer pamphlet 1180-1-1 has been updated to reflect significant revisions in two Service Contract Act program areas. First, the revised EP reflects a new chapter relating to the Wage Determination On-Line system (WDOL). Second, another Chapter has been added to provide background information relating to the operation of the Fair Labor Standards Act and Service Contract Act Price Adjustment clauses (FAR 52.222-43 and 52.222-44). Additional information relating to these changes is set forth below.

WDOL. By way of background, the Service Contract Act (SCA) requires contracting agencies to incorporate new or revised wage determinations (WDs) into contracts for services for each solicitation, award, or modification to exercise an option, extend the contract, or change the scope of work. Traditionally, the agency obtained the WD from DOL by submitting a SF 98, *Notice of Intention To Make A Service Contract*. Applicable DOL Regulations (29 CFR 4.4) allow DOL up to 60 days within which to respond to an agency's request for a WD. With relatively minor exceptions, the SCA WD request process had been virtually unchanged for more than twenty years. By 1994, however, USACE contracting operations were hampered by delays in the receipt of required SCA WDs. The DOL was receiving almost 60,000 SCA WD requests annually from all Federal agencies with approximately 60% of these requests originating within DOD contracting activities. A 1993 Office of Management and Budget (OMB) report identified service contracting as the fastest growing area of Government procurement accounting for 53% of executive agency procurement expenditures. However, DOL's capacity to respond in a timely manner to the increasing volume of SCA WD requests was severely challenged as its staff was subject to resource reductions. The USACE experience with respect to the effect of these developments is illustrative. USACE compiled documentation detailing the DOL's response time in connection with certain USACE SCA WD requests between FY 86 and FY 94. While DOL's overall response time had significantly improved in many areas, the USACE data demonstrated that there were still a significant number of SCA WD requests where the average number of days from submission of the request to the receipt of the SCA WD had improved by only 39 days and still required approximately 116 days nearly twice the required response time. The delays endemic to the SCA WD request process were evident even in basic, recurring service contract requirements. For example, for janitorial service contracts the DOL responses to USACE requests averaged 157 days in FY 93 and 94 days in FY 94. (see attached graphs). As a result of the WDOL Interagency Agreement reached with the Department of Labor the issue of delayed receipt of required WSCA Wds has been virtually eliminated. Almost 1900 different DOD contracting activities are now eligible to use WDOL capabilities. The most recent statistics for the WDOL site discloses over 5,500 "hits" each day. The WDOL site was profiled in the 16 Jun 97 issue of *Federal Computer Week* and in November of 1997, the Vice President's Hammer Award was presented to the WDOL Reinvention Team.

Price Adjustments. The existing EP does not address Price Adjustment considerations in service contracts. A new Chapter has

been added to provide guidance in this area. The material used in this chapter is based in large measure upon similar publications developed by the Air Force and the Naval Facilities Engineering Command.

DOL Responsiveness to USACE SCA Wage Requests 1986 - 1994



1986 1987 1988 1989 1990 1991 1992 1993 1994

■ Average Number of Days Covering Submission of Wage Request through Receipt of DOL Response

DOL Responsiveness to USACE SCA Janitorial

SCA Wage Requests 1986 - 1994

